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CENTRAL INTELLIGENCE AGENCY

13 April 1961

MEMORANDUM FOR THE DIRECTOR

SUBJECT: US Relations With Client States

1. The attached is in response to your request that O/NE undertake a study of US relations with our "client" states. By its nature, the problem involves a fairly heavy ingredient of policy as well as intelligence analysis. For this reason, I am circulating copies only to those Agency officers who attend your Deputies' meetings. Further distribution will take place at your direction.

2. The study is in two parts: (1) a general discussion of the characteristics of our clients, the problems raised thereby for the US, and what the US gets out of supporting them, and (2) an annex containing brief country studies developed against the background of the general discussion and incorporating some suggestions for possible improvements.

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TABLE -- Approximate amounts of US economic and
military aid to dependent states.

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US Relations With Client States

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A. The Problem Defined

1. In the years since World War II, the US has acquired responsibility for a number of states which, at least in the broad sense of the term, can be described as clients. By this, we mean that the states in question are heavily dependent on American assistance and support; are in turn susceptible in one degree or another to US pressures and influence; and, finally, are recognized, sometimes exaggeratedly, by most of the world as having this kind of relationship with the US. Inevitably, it costs the US considerable material and political effort to support these states. The relationship often requires that the US give hostages to fortune in the form of explicit or implied commitments to regimes over which we have limited control. In some cases US support for dependent governments

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gives rise to serious adverse repercussions either on the part of other nations or of groups within the recipient state hostile to the incumbent regime.

2. All this raises questions as to whether the US is getting adequate returns for the money and effort it expends and the liabilities it incurs in supporting the regimes it does; whether improvement is not possible; and indeed whether, in all cases, the effort is wise. It is not simply a matter of comparing material costs with material returns, and striking a balance. There are many intangible results -- on both the plus and minus sides of the ledger. Support of a given state may cost more in money, in commitments, or in alienating that state's rivals than the US gains. In some cases, the main benefit may be only the negative one of preventing change for the worse. On the other hand, increased amounts or different forms of support for some states might repay the US well.

3. The following discussion is aimed at two broad aspects of the problem of US relations with dependent states. We have attempted a general discussion of (a) the characteristics of our clients and the problems raised thereby for the US in sustaining the role of sponsor; and (b) what the US gets from

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the policy of supporting these clients, and whether it is receiving full value. An annex discusses the US relationship with certain specific dependent states in more detail, with some attention to how US interests might be served better by modifications in present policies.* Needless to say, this is scarcely a proper exercise in pure intelligence work, and we have not tried to disguise it as such.

B. Characteristics of Our Clients

4. The states considered here, and discussed at greater length in the annex, range from a comparatively strong and

- * There are obvious difficulties in deciding what nations or governments should be included in a discussion of this sort, even giving the term "client states" a broad interpretation. Arguments can be made for including virtually every US ally [redacted] just as arguments can be made against defining as clients all but the weakest, most totally dependent, and most tractable. What we have done here is to resort to a kind of common-sense rule, selecting those states which are most obviously clients, and others which are less clear-cut cases but which, insofar as their relations with the US partake of the nature of sponsor and client, do offer important policy problems or policy opportunities. We have excluded discussion of certain dependent states of long-standing -- notably in Latin America -- since the US relations with them developed long before World War II and for reasons different from those which brought about US sponsorship of dependent states since World War II. [redacted]

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9. Despite all the variations suggested above, one theme stands out as relevant to most, if not all, of the client states discussed here. With the qualified exception they are all underdeveloped nations sharing in the desire for social, economic and political change pervading most of the underdeveloped world. They cannot be isolated or made immune from this broad trend, even if their respective rulers or the US wished to do so. The almost invariable result, in one degree or another, is and will continue to be widespread ferment -- commonly taking the form of internal and external pressures and attacks on traditional ruling groups and institutions.

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10. Yet it is most often with the conservative elites that the US has established ties, since it is they who have held responsible power; and it is too often the traditional institutions -- now undergoing severe challenge -- which the client regimes have sought to buttress with US support. Where the status quo appeared reasonably satisfactory for at least

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short-range American interests, the US has often found itself in the position of supporting, in the name of stability, a regime which is in fact merely bent on resisting change. The US may attempt by various pressures and inducements to promote reform, but the record so far shows that the client regime commonly fears and frequently resists such pressures.

11. A preference for the status quo is explained only partly by the fact that in the past it was natural, if not unavoidable, for the US to work with the controlling, usually conservative, elites in these dependent states; and that these elements were, by education and self-interest more likely to be pro-West than the forces working for change, which are often violently anti-West. But it is also often true that the Soviets and local Communists, working for the overturn of the established order, enjoy the advantages of a disciplined and centrally controlled apparatus to further their aims, and are frequently helped by indigenous non-Communist discontent. Thus they are frequently better equipped to fish profitably in turbulent waters than is the US and its allies.

C. The Peculiar Dilemma of the US

12. Historically, maintenance of a sponsor-client relationship between two states required at least one of two conditions: either

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the dominant nation could -- and if need be would -- employ force to exert its paramountcy; or the client government was so eager to gain protection and support that it willingly accepted the leadership of the stronger nation.

13. The relations of the US with its dependent states are markedly different from those of the USSR and its satellites. The USSR's relationship with its satellites in eastern Europe conforms much more closely to the classic pattern. Through the Communist Party, through the infiltration and use of Soviet-controlled personnel, through economic pressure, and through the threat of force, it exercises strong and in some matters virtually direct control. The US has no such party mechanism, and does not employ the threat of violence -- either against individuals or against the state itself to encourage conformity with US wishes.* While the US obviously possesses some leverage in its economic power

* There are some exceptions to this broad distinction between US and Soviet methods. Soviet relations with Afghanistan, a state heavily dependent upon Soviet economic aid, are similar to those between the US and some of its clients.

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and in the need of its clients for US protection and support, it nevertheless is confronted by a serious dilemma which did not confront dominant powers in the past. The US must, in dealing with its clients, deal with them much more as independent equals than sponsor states have had to do with their clients in the past. The great importance of world public opinion, as expressed in the UN and elsewhere, and the new strategic situation in the world, which greatly inhibits any overt use of force, largely invalidates -- or certainly argues against -- the kind of "gunboat diplomacy" which worked so well in the 19th and early 20th centuries.

14. Another way in which the client-sponsor relationship today differs from that of the past is evident in the large amount of economic and technical assistance which the US provides for its clients. It is true that virtually every underdeveloped country in the non-Communist world expects to receive such aid from the US and indeed demands it as a right. And the US has in large degree accepted the burden for a variety of reasons including the belief that improving standards of living will lead to social and political stability. In the context of widespread aid programs, the US has acted on the belief that special attention and effort must be provided to client states. Thus

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client states are nowadays far more costly to the US than would normally have been true in the past. Moreover, the relationship involves the US in a multitude of extremely troublesome secondary problems: How much economic and technical assistance to give, and of what nature; how far the use of this aid, within the client country, should be supervised or managed by the US; how far such supervision can be carried out without exposing the US to charges of domination, or of "imperialism", and so on.

15. It is worth remarking that the client-sponsor relationship inherently tends to become permanent and to grow in importance. The prestige of the US becomes committed, even if its strategic or political interests in the client diminish. A government which has come to depend upon the US for political and economic support usually cannot be abandoned without damage to US standing in the world. This is particularly difficult for the US if, in the course of time, a client government becomes notoriously corrupt and ineffective or so threatened by Communist power as perhaps to raise the question whether the risks for the US were commensurate with the advantages.

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D. Reasons for Supporting Clients: How US Interests are Affected

16. The ultimate rationale for US sponsorship of dependent states has been to bolster American security, usually by seeking to block the spread of Communism. (The chief exception, among the states here considered, [redacted] 25X1

supported for humanitarian and internal political reasons.)

In some cases, the Soviet Bloc threat against the state in question is clear and direct, -- [redacted] 25X6

25X6 [redacted] being obvious examples. The withdrawal of US support from these states would invite a prompt Bloc takeover. This consideration must be weighed against the grim fact that both states have highly unpromising futures, are not likely ever to be able to stand on their own, and remain heavy drains on US resources and commitments.

17. In other instances the Communist threat, once direct, has now taken different form. [redacted] 25X6

[redacted] US assumption of responsibility for these states was undertaken as a positive act of policy, a voluntary extension of US world commitments. It plainly succeeded, in

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the sense that these states would almost certainly have succumbed to Soviet pressures and probable domination if it had not been extended.

18. Now, however, the Soviet world strategy has undergone great change. What the governments of [] for example, have mainly to fear from Communism is not military aggression but subversion, not armed attack but Bloc political economic, and psychological pressures. Moreover, the threats they face are not simply foreign-based aggression, but internal discontent and demands for change which the Soviets can and do assiduously exploit. US support for these governments, by contrast, leads to widespread charges -- in and outside the states themselves -- that we are simply supporting conservative or reactionary regimes with a blind and sterile determination to preserve the status quo in an era and against an adversary devoted to revolutionary change. When and if revolutionary change overturns the status quo in these states, or even if change is evolutionary, little credit will accrue to the US. These prospects raise the question of whether current forms and established objectives of US support and assistance are in fact best designed to promote our interests and those of the recipient state in the long as well as the short run.

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19. In the case of some dependent states, assumption of sponsorship by the US, though often justified as a measure of defense against Communism, was in fact aimed against other forces conceived to be hostile to American interests. The governments of [] have never been seriously threatened by Communism. They have been, and are, threatened by militant Arab nationalism -- personified by Nasser. The strident anti-Western overtones of Nasser's nationalist movement lent weight to the idea that the US should support his adversaries. If [] the argument goes, pro-West forces would be removed from the Middle East scene, instability would grow, Nasser's power would spread, and, by extension, the Soviet bid for Middle East power would be that much nearer to realization.

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20. Insofar as support for such conservative regimes was thus justified as an anti-Communist measure, it rested on weak and misleading grounds. Radical and reformist nationalism, not Communism, threatens these regimes. There is no doubt that militant nationalism is hostile to many US and other Western interests as traditionally conceived. Support for Nasser's enemies could be and is explained on these grounds. What is sometimes overlooked is that indiscriminate support for Nasser's enemies may

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saddle the US with cumbersome obligations and embarrassing commitments to weak, albeit pro-West, regimes which are likely to collapse well before Nasser's militant nationalism has run its course, leaving the US high and dry. Indeed, in the present world climate of opinion, the very dependence of these regimes on foreign support is a prime source of their unpopularity.

21. It is not, of course, only political objectives which the US has sought to preserve or advance in return for its support of various client states. In some cases, the quid-pro-quo has been very material or specific -- US bases or base rights; military forces, commitments and joint planning either bi-laterally or through alliance systems; cooperation in important intelligence, ^{counter-intelligence, and counter-subversion} activities; and financial or economic returns of benefit to US private or national interests. Even in these concrete, specific matters, no short and general discussion can begin to answer the question of whether the US is receiving adequate returns for its money and effort. The best short answer is that the balance of expenditure against returns differs widely as between client states, and varies considerably with respect to what kind or combination of quid-pro-quo is desired (i.e. bases, strong military forces, intelligence cooperation, the security of US oil operations, etc.)

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22. No less important, is the fact that the passage of time and changing world conditions inevitably affect the reckoning on both sides of the ledger. On the one hand, US needs for certain base rights in country Z or its cooperation in some kinds of intelligence efforts may have grown with the years or with the evolution of Soviet and Western strategy. On the other hand, the establishment of strong conventional ground forces in client country X may have been an eminently desirable US objective ten years ago, well worth the expenditure of Y amounts of US money, material and political effort. In the world of the 1960's, given Soviet strategy and the political climate in country X, such a goal may have become irrelevant, a waste of further money or even a drag on desirable progress. In both instances, any realistic accounting of the costs and returns of the US effort would require different criteria from those of ten years ago.

23. Given these wide variations in national characteristics, importance, strength and weaknesses, and susceptibility to US influence, it is extremely difficult to set forth useful generalizations applicable to US relations with all these dependent states. Each one presents peculiar problems. In one or two instances, a weighing of the advantages and liabilities

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involved in the relationship may indicate that overall US interests would best be served by disengagement. More frequently, it may prove wiser to alter the form and emphasis of US aid and support and to adjust the concomitant political relationship which the US maintains with the recipient regime. In most cases there is probably more room for the US to press vigorously to promote certain objectives than it has sought to do in the past. At all events, however, the effort to modify or improve US policies with respect to these states has got to be done pretty much on a case-by-case basis. In the following annex, we have discussed client states with reference in each case to: (a) why the US and the state concerned entered into the relationship; (b) what the US gets out of the relationship -- both benefits and liabilities; (c) the vulnerability of the client regime to US pressures and inducements; and (d) some suggestions about the effects of modifying present US policies or kinds of support to the state concerned.

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